

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2659 – HB 2776

March 30, 2010

SUMMARY OF AMENDMENTS (015920, 015879): Amendment 015920 rewrites the language of the original bill. Prohibits appropriating funds to or contracting with a covered organization under indictment for or convicted of a violation under federal or state law. Requests that the Comptroller review Chapter 554 of the Public Acts of 2009 to determine if any state funds were appropriated to a covered organization and report to the General Assembly as soon as practicable. Amendment 015879 prohibits awarding a state contract to an organization indicted for or convicted of a felony in any federal or state court unless the contract is reviewed by the Fiscal Review Committee.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

**Increase State Expenditures - \$50,000/One-Time
\$741,200/Recurring**

Assumptions applied to amendments:

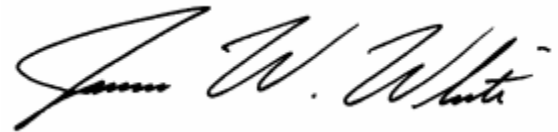
- This amendment expands prohibitions to indictments on organizations in all 50 states and all federal jurisdictions and will substantively increase background research on organizations.
- According to the Comptroller, one-time costs to complete the required study are estimated to be \$50,000.
- According to the Department of Finance and Administration, approximately 7,412 contracts, amendments, and grants are approved each year and would require additional background research, including a national criminal history check and background checks in all 50 states, estimated to be at least \$100 cost per contract. Recurring state expenditures are estimated to be \$741,200 (7,412 x \$100).

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- The Fiscal Review Committee will not incur an increase in expenditures for reviewing contracts.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/kmc